

## II. REMARKS

In paragraph 1 of page 2 of the Office Action, the Examiner has acknowledged examination of claims 1-123.

In response, the undersigned appreciates the examination of said claims.

On page 2 of the Office Action, the Examiner has objected to the length of the abstract.

In response, the foregoing amendment reduces the length of the abstract. The undersigned appreciates the examination and opportunity to correct the abstract.

On page 2 of the Office Action, the Examiner has objected to informalities including inconsistencies between the drawings and specification.

In response, the foregoing amendment removes the inconsistencies. The undersigned appreciates the examination and opportunity to correct the informalities.

On pages 3-4 of the Office Action, the Examiner has objected to informalities in the wording of the claims.

In response, the foregoing amendment removes the informalities. The undersigned appreciates the examination and opportunity to correct the informalities.

On page 4 of the Office Action, the Examiner has graciously provided a copy of USC Sec. 103(a).

In response, the undersigned appreciates the consideration.

### Section AAA

The Office Action does not have separately designated sections. Alphabetical section designations have been added herein to organize the remarks into sets and subsets, etc., for indication of later incorporation by reference, and also for indicating claim groupings responsive to compounding traversals of Office Action contentions (e.g., to indicate that arguments set forth in one section apply to those in sub-sections).

On page 4 of the Office Action, the Examiner has rejected claims 1, 4, 5, 6, 7, and 13-16 pursuant to USC Sec. 103(a). The Examiner contends that these claims are obvious over Roberts in view of Graff and Official Notice.

In response the rejection and underlying contentions are respectfully traversed. As detailed below, the rejections are based on an incorrect argument presented in the Office Action at page 4, line 18 - page 5, line 20. The errors are explained in section AAB, which follows immediately below. The incorrect argument is an essential component of every "obviousness" claim rejection in the Office Action, and therefore all such rejections are in error, with the errors compounding from additions thereto.

### **Section AAB**

In rejecting claims 1, 4, 5, 6, 7, and 13-16 in the Office Action, the Examiner describes teachings incorrectly contended to be a prior art teaching or suggestion of the claimed temporal decomposition of property. In particular, the Examiner states that:

Roberts does not expressly disclose that the components include an estate for years interest, but Graff teaches temporally decomposing property into a quasi-estate for years and remainder interest (pages 50-52)." Moreover, Roberts deals with bonds, which can be regarded as having a quasi-estate for years interest (a stream of coupon payments) and quasi-remainder interest (the repayment at maturity). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to have the components include an estate for years interest and a remainder interest, for the obvious advantage of profiting from the separate sale of these different interests.

In response, it is respectfully submitted that every contention in this quote is incorrect, as explained in the following paragraphs. Accordingly, every contention in the quote is respectfully traversed. Because the quoted paragraph forms the basis for every "obviousness" claim rejection in the Office Action, the rejection of every claim is in error.

First, Graff only teaches certain leases in real estate, not all "property" in general as the Office Action has contended. See MPEP Sec. 2144.08 "The fact that a claimed species or subgenus is encompassed by a prior art genus is not sufficient by itself to establish a *prima*

*facie* case of obviousness." *In re Baird*, 16 F.3rd 380, 382, 29 U.S.P.Q. 2d 1550, 1552 (Fed. Cir. 1994). So the Patent and Trademark Office (PTO) cannot presume that a species teaches a genus which teaches a different species. There is no teaching or suggestion in Graff of the claimed estate for years or remainder interest.

Second, Graff does not teach a temporal decomposition of property. Graff only teaches separate master lease and leased fee, and this is not a temporal decomposition of property. More precisely, as Graff states in the section entitled, *The Mechanics of Separation*, at page 53: "The term owner is the holder of the master lease; the residual equity holder is the legal owner of the property while the master lease is in force." Because the ownership rights reside with the residual equity holder throughout the existence of the capital structure created in Graff, there is no temporal decomposition of property disclosed in Graff.

Third, the Examiner concedes that Graff does not teach decomposition into components that include an estate for years and a remainder interest by asserting that, "Graff teaches temporally decomposing property into a quasi-estate for years and remainder interest...." Additionally, the term "quasi-estate for years interest" has no apparent meaning in the prior art and appears to be nothing more than hindsight imagination, not prior art evidence. As the contention is in connection with the PTO burden of proving obviousness, the Examiner is required to provide a prior art definition for what could otherwise be viewed as just making things up in hindsight. The same is true for a "quasi-remainder interest." In trying to imagine what the Examiner is apparently making up with regard to the unheard of "quasi-estate for years," it is noted that the Examiner has also contended that "bonds can be regarded as having a quasi-estate for years interest (a stream of coupon payments) and quasi-remainder interest (the repayment at maturity)." Also, the final scheduled payment to bondholders always consists of a combination of principal and interest, i.e., a combination of the Examiner's "quasi-estate for years" payment and a "quasi-remainder interest" payment. And because the Examiner

mentions that his notion of “quasi-estate for years interest” and “quasi-remainder interest” schedule simultaneous payments to investors in the case of bonds, it follows that the Examiner’s “quasi-estate for years” and “quasi-remainder” cannot constitute the claimed temporal decomposition of property. Because “quasi-estate for years” and “quasi-remainder interest” are unheard of in the prior art and appear to be pure hindsight fancy, and because both examples cited by the Examiner do not constitute temporally decomposed equity components (i.e., property) as required in the claims, the Examiner’s purported prior art contention is incorrect and certainly not *prima facie* evidence of obviousness at the time of the invention.

Fourth, contrary to the Office Action contention, Roberts does not teach temporal decomposition of property either. Roberts states at column 3, lines 15-24, that:

"It is a more particular object of this invention to provide a method and apparatus for structuring a serial issue of zero coupon bonds, either by physically exchanging a newly issued series of zero-coupon bonds for the outstanding bonds or *by placing the outstanding bonds in trust and issuing a series of zero coupon receipts against the income flow from the trust* in a manner that: (a) leaves the issuer's debt payment obligations unchanged, or nearly unchanged, (i) on both a discounted basis and on a nondiscounted basis, and (ii) on a pre-tax basis and on an after-tax basis." (emphasis added by Applicant.)

With the original debt is placed in a trust, this quote from Roberts shows that each investor in the restructured debt has a present equity interest in the principal amount of the old debt from the moment of the restructuring created by Roberts. In short, the corpus of the original debt is divided among the new debtholders (the case in which the original debt is retired and replaced with entirely new debt is irrelevant, because the new bonds are clearly not components of the original debt). This Roberts equity structure is necessary to ensure that, for example, if the new bonds are called the day after they are issued, each bond investor receives the portion of the original debt principal represented by the investor's present equity interest in the original debt, plus interest for one day at the respective designated rate. Thus, every zero

coupon bond created by the debt restructuring disclosed in Roberts is a present equity interest in the original debt. Because the interests in the debt created by Roberts are all present equity interests, the Roberts debt restructuring is not a teaching of the claimed temporal decomposition of property.

Fifth, the Office Action contention that "Roberts discloses a data processing system to change input representing property...of each of a plurality of components temporally decomposed from the property" also is incorrect because Roberts does not disclose a temporal decomposition. Furthermore, Roberts does not disclose the claimed property, neither explicitly nor implicitly, because the subject of Roberts is explicitly restricted to bonds (column 1, lines 9-11) with a *coupon rate of interest* (column 1, lines 32-33).

Sixth, the Office Action states that, "Official notice is taken that it is well known for data processing systems to be digital electrical computers, and for such computers to be electrically connected to input and output devices." A proper reason for a combination/modification of the art cannot be avoided by mere reliance on Official Notice. Therefore, if a rejection is maintained based in whole or part on Official Notice, for such a rejection, a reference from analogous art is required to support that Official Notice, at least so that Applicant can determine whether the purported reason to combine/modify is proper. In the absence of a proper reference from the analogous prior art, all contentions that follow from the unsupported Official Notice are respectfully traversed.

Seventh, and perhaps most significantly, the Office Action has not provided a proper reason to combine Roberts and Graff to reach the claimed invention. The proposed combination/ modification is improper for several reasons. First, the Office Action fails to show that a proper motivation existed in the prior art. *In re Lalu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1984) held: "The prior art must provide one of ordinary skill in the art the motivation to make the proposed... modifications needed to arrive at the claimed [invention]."

*In re Lee*; *In re Rouffet*; and *In re Kotzab*, which require the same. In the instant rejection, as with all reasons provided in the Office Action, the Examiner has not shown that the motivation to combine the cited art and/or Official Notice was in the prior art, in contrast, for example, with being a subsequent hindsight motivation, all inspired by Applicant's claims. If there were some "obvious advantage" at the time of the invention, the PTO is required to show a suggestion that this advantage was known in the prior art. That is, for the invention to be obvious at the time of the invention, the motivation must have been evident at that time too, and evidence of that motivation at the time of the invention is required. In the absence of this evidence, the Office Action relies on vague generalities -- one can think of an advantage now in retrospect, after reading Graff's patent application. But this is not evidence that an awareness or suggestion of such advantage existed in the prior art, and thus, the purported reason to combine is insufficient as a matter of law, pursuant, for example, to *In re Lalu*.

Next, the proposed combination/modification is improper because the attempted combination of Roberts and Graff is (1) contradicted by the references themselves, (2) the teachings cannot be combined without defeating the respective purposes of each, and (3) the proposed combination would defeat the principle of operation of each. The subject of Roberts is restructuring debt obligations (i.e., financial liabilities) that are in the form of interest-bearing bonds (Roberts, column 1, lines 9-11), each of which is required to have a "stated" (Roberts, column 1, lines 26-28) "coupon rate of interest" (Roberts, column 1, lines 32-33), whereas the subject of Graff is certain real estate assets required to be leased. Any combination or modification of Roberts and Graff is contradicted by and, would destroy the purposes of, both teachings because, among other attributes, Roberts teaches that his financial liabilities must possess a "stated coupon rate of interest," and the Graff teaching requires that the real estate assets must be *leased*; however, as is well known to one of ordinary skill in the art of finance,

liabilities are not assets, real estate cannot have a "stated coupon rate of interest," and debt cannot be leased. Thus, the cited art contradicts the proposed combination.

Further, Section 2143 of the MPEP provides that "if the proposed modification or combination of the cited art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). In this decision, the court reversed the rejection, holding the "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in [the primary reference] as well as a change in the basic principle under which the [primary reference] construction was designed to operate." 270 F.2d at 813, 123 USPQ at 352.). Because the Examiner's "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in Roberts (and Graff) as well as a change in the basic principle under which the Roberts (and Graff) construction was designed to operate," the rejection is improper pursuant to *In re Ratti* and pursuant to Sec. 2143 of the MPEP along with the legal underpinnings thereof.

Eighth, the Sec. 103 rejection as applied to all claims is erroneous for failing to consider the invention as a whole, as is required by that statute. The invention as a whole is directed toward subject matter that is not even mentioned in the cited art, and which came about for reasons not suggested in the cited art. The invention cannot be rejected by dissecting the claim elements into parts or snippets contended to be shown in cited art (in different contexts). Instead the claim as a whole must be considered. See Sec. 103. See also, for example, *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1548, 220 USPQ 303, 309 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984); *Jones v. Hardy*, 727 F.2d 1524, 1530, 220 USPQ 1021, 1026 (Fed. Cir. 1983). The rejection pertaining to obviousness does not consider the invention as a whole, as is required by 35 U.S.C. Sec. 103.

Ninth, the cited art is insufficient to teach how to do the invention. That is, if individuals having ordinary skill in the art were to have been provided with a copy of Roberts and a copy of Graff, first they would not have even imagined the claimed invention, but even if they could, they would still have no idea how to carry out the claimed invention. They would have no idea how to form a separate market-based valuation, including taxation, of each of a plurality of components temporally decomposed from the property, the components including an estate for years interest and a remainder interest. Should there be any doubt, the Examiner is invited to try performing such a valuation using just the cited art. No fair using Applicant's specification... if the prior art is as the Examiner contends, then it should be obvious how to use the Office Action approach to actually do the claimed valuation. The claims require a particular valuation, and at the end of the day, after stringing together whatever is cited and for whatever reason, one having ordinary skill must have been obviously able to actually do the valuation. It is respectfully submitted that "you can't get there from here," and cited art is insufficient to show how to do the claimed invention such that it would have been obvious at the time it was made.

In sum, for any and every one of the foregoing nine reasons, the above-quoted portion of the Office Action is incorrect, compounding into further errors.

Simply put, because the cited art does not teach or suggest the claimed temporal decomposition separately or in connection with the claimed estate for years and remainder interest, and more so in connection with a separate market-based valuation of each; because the Office Action has not provided a proper reason to combine Roberts and Graff, the rejection of claim 1 under even a piecemeal rejection using unworkable and non-prior art terms like "quasi-estate for years" and "quasi-remainder interest," the evidence does not set out a *prima facie* case of obviousness.

And at the end of the day, rather attempting to match snippets of the claim with snippets from Roberts on restructuring debt obligations that are in the form of interest-bearing

bonds, Graff on certain real estate interests required to be leased, Official Notice of data processing systems, and made up things like “quasi-estate for years” and “quasi-remainder interest,” for the amorphous advantage of “profiting,” etc., some demonstration that the claimed valuation could actually have been carried out according to the Office Action remains to be explained.

And because the Sec. 103 rejection of every claim depends upon the reasoning of the rejection of claim 1, and the rejection reasoning is incorrect, the rejection of every other claim is incorrect too. Accordingly, these remarks are dispositive of the entire Sec. 103 case. The rest of the response is simply to set the record straight on other incorrect contentions.

### **Section AAC**

Building on the foregoing nine errors, the Examiner has made further contentions in rejecting claim 4. The Examiner states at page 6, line 1, that:

...Official Notice is taken that limited liability is well known (e.g., Roberts teaches that bonds are issued by corporations, and corporations generally have limited liability). Hence it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to have at least one of the valuations reflect that at least one component was a limited liability component, for the obvious advantage of accurately reflecting the risk, for example, that a corporation will default on its bonds....

In response, the rejection and the underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. Further, a reference to support the Official Notice is required, as set out above, and all flowing from the unsupported Official Notice is respectfully traversed.

Additionally, the Examiner is clearly taking snippets of the claim out of context in that the claim requires limited liability component, wherein limited liability is an adjective describing component. In the Office Action, “limited liability is well known” is vacuous in meaning without a noun. For example, “fast” may be well known in some contexts, but this does not mean that a particular “fast” thing was well known. Fast what? Computer chip? Car?

Food? Women? The same is true about limited liability: limited liability what? The attempted inference in the rejection, based on the unsupported Official Notice, is incorrect because the claim language makes it clear that the limited liability relates to a particular equity interest in the property, which has not been shown. More so, the Office Action's reliance on "bonds" in Roberts is erroneous because it is well known that a debtor does not have an equity interest in its debt. For example, the "limited liability" in the context of the claim has nothing to do with the risk that a corporation will default on its bonds, contrary to the contention at page 6, line 6. Thus, the contentions about "limited liability" in Roberts are completely incorrect. All flowing from the unsupported Official Notice here, and throughout the Office Action, is respectfully traversed, as set out above; a suitable reference from analogous art is required. Additionally, the purported reason to combine has not been shown in the prior art and is also otherwise improper, etc., as set out in section AAB above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAD**

Building on the foregoing errors, the Examiner has made further contentions in rejecting claim 5, the Examiner states at page 6, line 9, that:

"Roberts discloses that there is an "entity for" at least one of the components (in the sense that the bond-issuing corporation, municipality, etc., and the bondholder are entities for the components)."

In response, the rejection and underlying contentions are respectfully traversed

and the foregoing Sections, especially Section AAB, is incorporated by reference. Further, contrary to the above-quoted contention, Roberts does not disclose the claimed entity for. The contention is also traversed because (in the same manner discussed above), the Examiner is taking snippets of the claims out of context. As per the claims, an entity for relates to at least one of the components. This, in turn, relates to the claimed structure of equity interest in the component, whereas neither the bond-issuing corporation or municipality nor the bond investors are part of a structure of the equity interest.

And as to the Official Notice, again a correct and suitable reference from analogous art is required. At least until that is provided, as per the above, all flowing from the unsupported Official Notice is respectfully traversed. Additionally, the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in section AAB and AAD above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAE**

Building upon the above-discussed errors, the Examiner contends that claim 6 is obvious over additional Official Notice. In response, the rejection and underlying contentions are respectfully traversed, and Section AAB is incorporated by reference. As to the additional Official Notice, the same response as in AAB is reasserted. Further, again the Examiner is merely taking snippets of claim language out of context from the claim as a whole. See the

discussion above, and Section AAB is incorporated by reference. In the absence of a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," all flowing from the unsupported Official Notice is respectfully traversed. Additionally, the purported reason to combine has not been shown in the prior art and is therefore improper, etc., as set out in section AAB above. The PTO is required to show evidence that anyone in the prior art had a suggestion that there was some "advantage of carrying out" the wholly claimed "temporal decomposition in the case of an entity being a special purpose entity," as is contended. This is pure hindsight and certainly is not suggested in either Roberts or Graff, as is clear from Section AAB above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAF**

Building on the above-mentioned errors, in commenting additionally on claim 7, the Examiner states at page 7, line 3, that:

Roberts discloses that there is an "entity for" at least one of the components (in the sense that the bond-issuing corporation, municipality, etc., and the bondholder are entities for the components).

The rejection and underlying contentions are respectfully traversed. Incorporate by reference Section AAB. The above-quoted contention is incorrect because, again, Roberts does not disclose any entity for. Therefore Roberts does not teach any species of the unmentioned "entity for" either. Further, the contention is also incorrect because the claims

have a context of other requirements *as a whole* that is not suggested in the cited art. That is, an entity for relates to the claimed component, which in turn relates to the structure of equity interest in the component (as more precisely set out in the claim), whereas neither the bond-issuing corporation or municipality nor the bond investors are part of a structure of the equity interest to which the Office Action refers.

And as per Section AAB, an appropriate reference from the analogous prior art is required for the Official Notice, and all flowing from the unsupported Official Notice is respectfully traversed. In particular, Applicant respectfully traverses the contention at page 7, line 11, concerning the "obvious advantage of carrying out temporal decomposition in the case of...common types of entities...set up for tax advantages, avoiding probate, etc." The PTO has not shown that anyone in the prior art had a suggestion about any of this. Further, institutional investor beneficiaries of the property securitization enabled by the instant invention are not subject to probate, and Applicant is unaware of any tax advantages created for investors by the types of entities cited in the Office Action: the Examiner is required to explain how these purported tax advantages are created, i.e., the basis for the purported motivation to combine and modify the cited art.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAG**

Building on the errors discussed above, the Examiner has made additional

contentions in rejecting claim 13 at page 7, line 14, and the rejection and underlying contentions are respectfully traversed. As per Section AAB, incorporated by reference, an appropriate reference from analogous art is required, and all flowing from the unsupported Official Notice is respectfully traversed.

Applicant does not understand the contention at page 7, line 19, that "it would have been obvious to one of ordinary skill in the art of finance...to have a second component be a limited liability component, for the obvious advantage of accurately reflecting the risk, for example, that a corporation will default on its bonds...." Accordingly, the contention is respectfully traversed. In particular, it is not understood how the limited liability status of the component, as per the claimed invention, can possibly reflect the risk that a corporation will default on its bonds. As this is the basis for the purported reason to combine/modify the cited art, and thus the PTO's burden, the Examiner is required to explain the nature of the contended relationship before Applicant can provide anything more than a traversal. The above-mentioned traversals are repeated and carried forward here too, e.g., "limited liability" is an adjective (see Section AAC), the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in section AAB above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

#### **S ection AAH**

Building on the foregoing errors, the Examiner has made further contentions in

rejecting claim 14, and the Examiner states at page 8, line 1, that:

"Roberts discloses that there is an "entity for" at least one of the components (in the sense that the bond-issuing corporation, municipality, etc., and the bondholder are entities for the components).

In response, the reversal and underlying contention is respectfully traversed.

Incorporate by reverence Sections AAB, AAC, and AAD. The contention is incorrect because the Roberts specification does not disclose any entity for, as discussed above. The contention is also incorrect because the claimed entity for a component relates to the structure of equity interest in the component, whereas neither the bond-issuing corporation or municipality nor the bond investors are part of a structure of the equity interest. There is no cited art of the first component and second component, and respectively, the components are limited liability components.

A reference is required to support the Official Notice as per section AAB above, and all flowing from the unsupported Official Notice is respectfully traversed. As per the above, the above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in section AAB above. See particularly the discussion of 'limited liability' in AAC above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAI**

Building on the above-discussed errors, the Examiner has made additional

contentions in rejecting claim 15 at page 8, line 10. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference Sections AAB and AAH. As per the above, and throughout this response to the Office Action, a suitable reference from the prior art is required, especially for the contention that "special purpose entities are well known," and a reference from the analogous art is required. All flowing from the unsupported Official Notice is respectfully traversed. In the context of the claim as a whole, the use of respective special purpose entities has not been shown in the prior art. The above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine "for the obvious advantage of carrying out temporal decomposition in the case of entities being special purpose entities" has not been shown in the prior art and is also improper, etc., as set out in section AAB above.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section AAJ**

Building on the above-discussed errors, in commenting additionally on claim 16, the Examiner states at page 8, line 16, that:

Roberts discloses that there is an "entity for" a second of the components (in the sense that the bond-issuing corporation, municipality, etc., and the bondholder are entities for the components).

In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference Sections AAB and AAF. The above-quoted contention is traversed

because Roberts does not disclose any "entity for." The contention is also incorrect because the claims require that the entity for pertains to the claimed component, which in turn relates to the claimed structure of equity interest in the component, whereas neither the bond-issuing corporation or municipality nor the bond investors are part of the structure of the equity interest.

Regarding the Official Notice, a reference from the analogous art is again required, and all flowing from the unsupported Official Notice is respectfully traversed. The above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in section AAB above. In particular, Applicant respectfully traverses the contention at page 9, line 1, concerning the "obvious advantage of carrying out temporal decomposition in the case of...common types of entities...set up for tax advantages, avoiding probate, etc." As per section AAF, incorporated by reference, the Examiner appears to be making things up in hindsight, subject to some explanation as to how these purported tax advantages are created, why institutional investors need help to avoid probate, etc., in the prior art.

The proposed reason to combine/modify has not been suggested in the cited art. Additionally, the rejection fails to consider the invention as a whole, as is required by 35 USC Sec. 103, by tacking on a discussion of a limitation without consideration of cooperation of the parts of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Summary of Section A**

As set out in section AAA and AAB, the core paragraph of the Office Action "obviousness" rejection is incorrect for any and all of at least nine reasons. These errors form an essential component of every "obviousness" claim rejection in the Office Action, and

therefore all such rejections are in error. The errors compound as set forth above and below too. The result is that a *prima facie* case of obviousness has not been evidenced.

### **Section BAA**

The Examiner has rejected claims 2, 3, 11, and 12 at page 9, lines 5 - 9, contending that:

Claims 2, 3, 11, and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Roberts, Graff, and Official Notice as applied to claim 1 above, and further in view of Kurlowicz et al. ... and the anonymous article, "Report of the House-Senate Conference Agreement on the Tax Reform Bill.

In response, Section A is incorporated by reference, especially Section AAB, and the rejection and underlying contentions are respectfully traversed. Section AAB shows that the contentions regarding Roberts, Graff, and Official Notice as applied to claim 1 are all incorrect—for any and all of nine reasons. Accordingly, all contentions in the above-quoted paragraph are respectfully traversed, and the rejections of claims 2, 3, 11, and 12 are also in error for the reasons set forth in other parts of Section B below.

The proposed reason to combine/modify is improper as it has not been shown to have been suggested by the prior art, and the proposed reason also does not provide any suggestion with regard to the cited art. Also, the rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section BAB**

The Examiner has made additional contentions in rejecting claim 2 at page 9, line 9:

Roberts discloses that there is an "entity for" at least one of the components (in the sense that the bond-issuing corporation, municipality, etc., and the bondholder are entities for the components...), but does not disclose the entity is from a group consisting of a pass-through entity for United States federal tax purposes and an entity that is allowed a United States federal tax deduction for distributions to holders of equity interests in the entity. However, Kurlowicz teaches pass-through entities for United States tax purposes..., and "Report of the House-Senate Conference Agreement on the Tax Reform Bill" teaches entities that are allowed United States federal tax deductions for distribution.

Section AAD shows that Roberts neither discloses a component temporally decomposed from property nor the existence of an entity for at least one of the components that result from any kind of decomposition whatsoever. The sole subject of Roberts is finance; more particularly, corporate and municipal finance, as the Examiner recognizes with the above quote concerning "the bond-issuing corporation, municipality, etc., and the bondholder...."

However, the sole subject area of Kurlowicz and "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is estate planning (as discussed below), which is distinct from finance. Estate planning is taught in law schools rather than in ordinary M.B.A. programs in finance, which means that one of ordinary skill in the art of finance would not be knowledgeable in estate planning law, and thus cannot be charged with knowledge the Examiner asserts is within the ordinary skill in the art of finance. It follows that, in proposing to combine Roberts with Kurlowicz and "Report of the House-Senate Conference Agreement on the Tax Reform Bill," the Office Action is proposing the combination of nonanalogous art, and has provided no reason whatsoever in the prior art to combine. It follows that the proposed combination is improper.

It is clear that the sole subject of Kurlowicz is estate planning, from the paragraph in Kurlowicz beginning, "The GRANT or GRUNT...", cited in the Office Action, at page 9, line 20. This paragraph concludes with the statement that, "Thus, this technique is useful only for estate planning, not current income-shifting purposes." Because corporations

and municipalities do not share the finite life characteristic of individuals, it follows that the estate tax savings technique disclosed in Kurlowicz cannot be assumed to be useful in corporate or municipal finance. As evidence that the sole subject of "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is estate planning, note the title of the tax reform bill described in the report: "TITLE XIV. TRUSTS AND ESTATES; MINOR CHILDREN; GIFT AND ESTATE TAXES; GENERATION-SKIPPING TRANSFER TAX." The Examiner has not shown that this is within the ordinary level of skill in the art of finance.

Incorporate by reference the foregoing Sections, especially Section AAD. Additionally, Roberts has nothing in common economically with the teaching in Kurlowicz and "Report of the House-Senate Conference Agreement on the Tax Reform Bill." In particular, Roberts is concerned with the tax-neutral restructuring of *corporate and municipal securitized debt*, whereas the two estate planning articles are concerned with the tax implications of *gifting assets*. One cannot gift a debt—this is a teaching of the exact opposite of an asset as per the claim requirements, i.e. a teaching away from the claimed invention. And while Roberts is concerned with borrowers, Kurlowicz is concerned with lenders, and a borrower would not restructure to benefit the lender. Roberts teaches borrowers, Kurlowicz teaches lenders, and neither has any incentive to restructure to improve the position of the other. These teachings are mutually inapplicable.

More particularly, Roberts is concerned with the restructuring of *corporate and municipal securitized debt for the benefit of the borrower*, which is a species of the genus, "obligor-controlled restructurings of financial obligations for the benefit of the obligor." By contrast, Kurlowicz and "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is concerned with estate planning, a species of the genus, "owner-controlled asset restructurings for the benefit of the owner."

Each financial obligation has an obligor and an owner (i.e., obligee): the obligor

pays, the owner collects; the obligor is burdened, the owner benefits; the obligor has a liability, the owner has an asset. Moreover, because obligor and owner interests conflict, the obligation is a zero-sum game. In particular, restructurings to lighten the burden do not improve the benefit, and restructurings to improve the benefit do not lighten the burden. Thus, the combination of a teaching on obligor-controlled restructurings to benefit the obligor with a teaching on owner-controlled restructurings to benefit the owner is contradicted by and, would destroy the purposes of, both teachings.

The contradiction can be expressed more concretely in the case of Roberts, and the Kurlowicz and anonymous "Report of the House-Senate Conference Agreement on the Tax Reform Bill" estate planning teachings. In the case of the Roberts teaching, corporate and governmental liabilities cannot be "gifted" away; and in the case of the estate planning teachings, heirs may welcome a gift of someone else's assets, but never a "gift" of someone else's debt burdens.

Accordingly, the proposed combination of Roberts and Kurlowicz is contradicted by, and would destroy the purposes of, both teachings, and likewise the proposed combination of Roberts and the anonymous "Report of the House-Senate Conference Agreement on the Tax Reform Bill," is contradicted by, and would destroy the purposes of, both teachings. Thus, the combination of Roberts with either Kurlowicz or the "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is impermissible.

Furthermore, because each pair of teachings is contradictory, the contradiction cannot be removed by the addition of more cited art. Thus any combination of art that includes Roberts and either Kurlowicz or the "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is impermissible.

Furthermore, even if one could imagine some plausible reason to combine Roberts, Kurlowicz, and "Report of the House-Senate Conference Agreement on the Tax

Reform Bill," none of these teaches either temporal decomposition of property or an entity for at least one of the components, especially both in cooperation as required by the claim.

Finally, the attempted justification for the proposed combination of Roberts, Kurlowicz, and "Report of the House-Senate Conference Agreement on the Tax Reform Bill," is that, "Hence, it would have been obvious to one of ordinary skill in the art of finance...for the obvious advantage of carrying out temporal decomposition in the case of the entity...with the tax benefits leading people to set up such entities." The contention is respectfully traversed and appears to be gobbledegook at least because no cited art discloses temporal decomposition of property, no cited art discloses an entity for at least one of the components, and Applicant is unaware of any tax benefits created by the existence of such an entity: an explanation of the contended tax benefits is particularly required. The Examiner is required to explain the tax involved, how the existence of an entity creates the purported tax benefits, and exactly what the tax benefits are, i.e., the reason for the proposed combination/modification of the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section BAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 3 at page 10, line 7. In response, the contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAE. Further, the text

incorporated by reference shows that the contentions regarding claim 3 are all incorrect. Again a reference from analogous art is required to support the Official Notice, and until such is provided, the contentions flowing from the unsupported Official Notice are traversed. Accordingly, all contentions regarding claim 3 are respectfully traversed, and the above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in above.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section BAD**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 11 at page 10, line 13. In response, the contentions are respectfully traversed. Incorporate by reference the foregoing Sections and particularly Sections BAB and AAC. The text incorporated by reference demonstrates that the contentions regarding claim 11 are all incorrect. As per Section AAB, an appropriate reference from analogous prior art is required for the Official Notice at page 11, line 11, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 11 are respectfully traversed, and the above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in above. A suggestion to use pass-through entities in connection with the claimed

invention context as a whole has not been shown in the prior art. There has been no showing that the reason to combine was known in the cited art, e.g., "the second entity to be from a group consisting of a pass-through entity for United States federal tax purposes and an entity that is allowed a United States federal tax deduction for distributions to holders of equity interests in the equity, for the obvious advantage of carrying out temporal decomposition in the case of the second entity being one of a pass-through entity for United States federal tax purposes and an entity that is allowed a United States federal tax deduction for distributions to holders of equity interests in the equity," at least because no cited art teaches the claimed temporal decomposition in cooperation with the claimed estate for years and remainder property.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section BAE**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 12 at page 11, line 17, and the rejection and underlying contentions are respectfully traversed. As per Section AAB, an appropriate reference from analogous prior art is required for the Official Notice, and in the absence of a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," all drawn from the unsupported Official Notice is respectfully traversed. An explanation is also required

of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 11, line 21, i.e., the purported reason to combine/modify the cited art. This "advantage," whatever it may be, has not been shown in the prior art. The above-mentioned traversals are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out above. See also Section AAI regarding "special purpose entities."

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAA**

Building on the foregoing errors, the Examiner has rejected claims 9 and 10 at page 12, line 3, for contentions set forth there. In response, the contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAD. The text incorporated by reference shows that the contentions regarding claims 9 and 10 are all incorrect. The Official Notice at page 12, line 4, requires a reference as per AAB, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claims 9 and 10 are respectfully traversed.

The above-mentioned traversals of the above lettered sets, subsets, etc., are repeated and carried forward here too, e.g., the purported reason to combine has not been shown in the prior art and is also improper, etc., as set out in above. In particular, an

explanation is required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 12, line 18, because of "tax benefits" cited at page 13, line 2, and this contention is respectfully traversed. A showing that the "obvious advantage" was known in the prior art is also required. Applicant is unaware of any tax benefits created by the existence of such entities, and the Examiner is required to explain how the existence of an entity creates the purported tax benefits, and exactly what the tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 10 at page 13, line 3, and the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. Additionally, the Official Notice at page 13, line 4, requires a supporting reference from the analogous prior art for the contention that "special purpose entities are well known." All conclusions drawn from the unsupported Official Notice are respectfully traversed. An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 13, line 6, and a showing that the "obvious advantage" was known in the prior art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAC**

Building on the foregoing errors, the Examiner has rejected claim 8 at page 13, line 9. In response, the contentions underpinning the rejection, and the rejection itself, are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAB. The text incorporated by reference shows that the contentions regarding claim 8 are all incorrect. Further, the Official Notice at page 13, line 10, requires a supporting reference from the analogous prior art, and all contentions flowing from the Official Notice are respectfully traversed. Accordingly, all contentions regarding claim 8 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 13, line 15, of "tax advantages of grantor trusts" cited at page 13, line 16, and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of grantor trusts, and the Examiner is required to explain how the existence of a grantor trust creates the purported tax benefits, and exactly what the tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art. Evidence that the purported advantage was known in the prior art is required too.

The proposed reason to combine/modify the cited art is improper as it has not

been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAD**

Building on the foregoing errors, the Examiner rejects claim 17 at page 13, line 17. The rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAB. The text incorporated by reference shows that the contentions regarding claim 17 are all incorrect. Further, the Official Notice at page 13, line 18, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 17 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist because of "tax advantages of grantor trusts," and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of grantor trusts, and the Examiner is required to explain how the existence of a grantor trust creates the purported tax benefits, and exactly what the purported tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art. A prior art teaching of an awareness of this purported advantage is also required.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAE**

Building on the foregoing errors, the Examiner rejects claims 18 and 19 at page 14, line 5. The rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAD. The text incorporated by reference shows that the contentions regarding claims 18 and 19 are all incorrect. Further, the Official Notice at page 14, line 6, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claims 18 and 19 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 14, line 21, because of "tax benefits" cited at page 15, line 3, and this contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of such entities, and the Examiner is required to explain how the existence of an entity creates the purported tax benefits, and exactly what the tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art. Evidence of prior art awareness of "obvious advantage of carrying out temporal decomposition..." is also required, especially as the evidence of record does not include any teaching of temporal decomposition in connection with the claimed estate for years and remainder interest, especially in combination with a corresponding valuation.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not

provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAF**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 19 at page 15, line 3. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The Official Notice at page 15, line 6, requires a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," and all flowing from the unsupported Official Notice is respectfully traversed. An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 15, line 8. See Section AAD regarding the error of entity for contentions.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section CAG**

Building on the foregoing errors, the Examiner rejects claims 56-72 at page 15,

line 11. The rejections and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAB. The text incorporated by reference shows that the contentions regarding claims 56-72 are all incorrect. Further, the Official Notice at page 15, line 12, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions of the regarding claims 56-72 are respectfully traversed.

In particular, Applicant traverses the contention that: "Hence, it would have been obvious to one of ordinary skill in the art of finance...for the property to be real estate, for the advantages, as stated in Graff...." The contention of obviousness requires the combination of Roberts and Graff; however, as observed in the text incorporated by reference, any attempted combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings because, among other attributes, financial liabilities to which the Roberts invention is applied must possess a "stated coupon rate of interest" and real estate assets to which the Graff teaching is applied must be *leased*; however, as is well known to one of ordinary skill in the art of finance, liabilities are not assets, real estate cannot have a "stated coupon rate of interest," and debt cannot be leased.

Other errors in the instant rejection contentions are discussed above, in connection with response too the claims referenced in this rejection. See particularly Section AAB. The purported reason to combine is in error as it factually mischaracterizes Graff and is based on an advantage, the appreciation of which has not been shown in the prior art.

### **Section DAA**

Building on the foregoing errors, the Examiner rejects claims 20, 21, 22, and 25 at page 16, line 2. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions regarding claims 20, 21, 22, and 25 are

all incorrect. Further, the Official Notice at page 16, line 12, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claims 20, 21, 22, and 25 are respectfully traversed.

As per Section AAB, further, there has been no showing of a suggestion in the prior art of an appreciation of the advantage cited as reasons to combine/modify, and see the above discussion of the apparently made up (not prior art) Examiner concepts of "quasi-estate for years" and "quasi-remainder interest." "Profiting" does not provide any suggestion from the prior art to select/combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section DAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 21 at page 17, line 6. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB, AAC, and AAG. The text incorporated by reference shows that the contentions regarding claim 21 are all incorrect. Further, the Official Notice at page 17, line 10, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Additionally, the Office Action has not provided a valid reason to

combine "limited liability interest" with the other conditions in claim 21, as discussed above.

Accordingly, all contentions regarding claim 21 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section DAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 22 at page 17, line 16. In response, the rejection and underlying contentions are respectfully traversed. Incorporate the foregoing Sections, especially Section AAB. The Official Notice at page 17, line 17, requires a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," and all flowing from the unsupported Official Notice is respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **S ction DAD**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 25 at page 18, line 1. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAF and AAJ. The text incorporated by reference shows that the contentions regarding claim 25 are all incorrect. Further, the Official Notice at page 18, line 2, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section DAE**

Building on the foregoing errors, Examiner rejects claims 23 and 24 at page 18, line 9. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAD. The text incorporated by reference shows that the contentions regarding claims 23 and 24 are all incorrect. Further, the Official Notice at page 14, line 10, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claims 23 and 24 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the

purported "obvious advantage" incorrectly contended to exist at page 19, line 4, because of "tax benefits" cited at page 19, line 7, and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of such entities, and the Examiner is required to explain how the existence of an entity creates the purported tax benefits, and exactly what the tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section DAF**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 24 at page 19, line 9. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The Official Notice at page 19, line 10, requires a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," and all flowing from the unsupported Official Notice is respectfully traversed. An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 19, line 13.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not

provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

#### **Section DAG**

Building on the foregoing errors, the Examiner rejects claim 26 at page 19, line 15. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAB. The text incorporated by reference shows that the contentions regarding claim 26 are all incorrect. Further, the Official Notice at page 19, line 16, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 26 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 14, line 3 because of "tax advantages of grantor trusts" cited at page 14, line 4, and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of grantor trusts, and the Examiner is required to explain how the existence of a grantor trust creates the purported tax benefits, and exactly what the tax benefits are, i.e., the purported reason to combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a

discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section EAA**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 27-30 and 33 at page 20, line 4. In response, the rejection and contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions regarding claims 27-30 and 33 are all incorrect. Further, the Official Notice at page 20, line 14, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 20, line 4 - page 26, line 11, except to traverse all contentions flowing from the unsupported Official Notice.

As for the additional paragraph on claims 27-30 and 33 at page 26, line 12 - page 26, line 20, the Official Notice at page 21, line 13, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. The text incorporated by reference shows that Roberts does not disclose a component temporally decomposed from property. Because the Office Action's theory of obviousness cited "fractional interests in corporations and non-incorporated partnerships" that clearly does not disclose "*a fractional interest in a component temporally decomposed from property,*" the proposed combination with Roberts also does not disclose "*a fractional interest in a component temporally decomposed from property,*" and in any case the PTO has not provided any reason to combine. This completes the demonstration that all contentions concerning claims 27-30 and 33 are incorrect. Accordingly, all contentions regarding claims 27-30 and 33 are respectfully traversed.

### **Secti n EAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 28 at page 21, line 21. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB, AAC, and AAG. The text incorporated by reference shows that the contentions regarding claim 28 are all incorrect. Further, the Official Notice at page 21, line 22, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Additionally, the Office Action has not provided a valid reason to combine "limited liability interest" with the other conditions in claim 28. Accordingly, all contentions regarding claim 28 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section EAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 29 at page 22, line 8. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB, AAC, AAD, AAG, and AAH. The text incorporated by reference shows that the contentions regarding claim 29 are all incorrect. In particular, the Office Action has not provided any reason to combine Roberts and Graff, which is not surprising, because any

attempted combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings, as discussed above. In this regard, it is reiterated that, among other attributes, financial liabilities to which the Roberts invention is applied must possess a "stated coupon rate of interest" and real estate assets to which the Graff teaching is applied must be *leased*; however, as is well known to one of ordinary skill in the art of finance, liabilities are not assets, real estate cannot have a "stated coupon rate of interest," and debt cannot be leased.

Further, the Official Notice at page 22, line 16, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Additionally, the Office Action has not provided a valid reason to combine "limited liability interest" with the other conditions in claim 29. Accordingly, all contentions regarding claim 29 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

#### **Section EAD**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 30 at page 23, line 1. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAE. The text incorporated by reference shows that the contentions regarding claim 30 are all incorrect. The Official Notice at page 30, line 2, requires a supporting reference from the

analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 30 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section EAE**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 33 at page 23, line 7. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAF and AAJ. The text incorporated by reference shows that the contentions regarding claim 33 are all incorrect. Further, the Official Notice at page 23, line 8, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made.

For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **S ction EAF**

Building on the foregoing errors, the Examiner rejects claims 31 and 32 at page 23, line 15. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAD. The text incorporated by reference shows that the contentions regarding claims 31 and 32 are all incorrect. Further, the Official Notice at page 23, line 16, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claims 23 and 24 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 24, line 10, because of "tax benefits" cited at page 24, line 13, and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of such entities, and Examiner is required to explain how the existence of an entity creates the purported tax benefits, and exactly what the tax benefits are, i.e., the basis for the purported reason to combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section EAG**

Building on the foregoing errors, the Examiner has made additional contentions

in rejecting claim 32 at page 24, line 15. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB and EAF. The Official Notice at page 24, line 16, requires a supporting reference from the analogous prior art for the contention that "special purpose entities are well known," and all flowing from the unsupported Official Notice is respectfully traversed. An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 24, line 19.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section EAH**

Building on the foregoing errors, the Examiner rejects claim 34 at page 24, line 21. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section BAB. The text incorporated by reference shows that the contentions regarding claim 34 are all incorrect. Further, the Official Notice at page 24, line 22, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 34 are respectfully traversed.

An explanation is also required of the economics and the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 25, line 5 because of "tax

advantages of grantor trusts" cited at page 25, line 5, and the contention is respectfully traversed. Applicant is unaware of any tax benefits created by the existence of grantor trusts, and the Examiner is required to explain how the existence of a grantor trust creates the purported tax benefits, and exactly what the tax benefits are, i.e., the purported reason to combine/modify the cited art.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section FAA**

Building on the foregoing errors, Examiner rejects claims 35-37 at page 25, line 8. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 26, line 12 are all incorrect. The Official Notice at page 25, line 18, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed, including page 25, line 8 - page 26, line 12.

As for the additional paragraph on claims 35-37 at page 25, line 13 - page 25, line 20, the Official Notice at page 26, line 15, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Even if such notice were so, a new use of an old thing is not unpatentable. An

explanation is required of the obviousness of the purported "obvious advantage" incorrectly contended to exist at page 26, line 18. Note that: (1) as the text incorporated by reference shows, neither Roberts nor Graff discloses "a component temporally decomposed from real estate;" the PTO has not provided a reference for "a deed to the estate for years interest and a second deed to the remainder interest" from the analogous prior art; (3) the Office Action has not provided a reason to combine Graff and Roberts with "a deed to the estate for years interest and a second deed to the remainder interest." The text incorporated by reference shows that any combination of Graff and Roberts is contradicted by, and would destroy the purposes of, both teachings, and observes that no addition of more material can eliminate the inherent conflict.

Finally, the contention at page 25, line 10, that Roberts "discloses a processor programmed...to produce... a ... valuation ...of one of at least two components temporally decomposed from *property*," is insufficient because claims 35-37 require "...temporally decomposed from *real estate* as the property;" even if the contention were correct with regard to disclosure of "property" (and the text incorporated by reference shows it is not, i.e., Roberts does not disclose "property"), the contention is not sufficient, because Roberts does not disclose "real estate," and disclosure of "property" (i.e., the genus) does not by itself disclose "real estate" (i.e., the species). See MPEP Sec. 2144.08. For this reason too, the rejection of claims 35-37 is incorrect. Accordingly, all contentions regarding claims 35-37 are respectfully traversed, and a case of *prima facie* obviousness has not been evidenced.

### **Section FAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 36 at page 26, line 21. The rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The Official Notice at page 26, line 22, requires a supporting reference from the

analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed.

Also, the text incorporated by reference shows that Roberts does not disclose a component temporally decomposed from real estate. Because the Office Action's invalidly cited "fractional interests in corporations and non-incorporated partnerships" clearly does not disclose "a fractional interest in a *component temporally decomposed from real estate*," the proposed combination with Roberts also does not disclose "a fractional interest in a component temporally decomposed from real estate," and in any case the Office Action has not provided any reason to combine/modify to reach the claimed invention. It is not surprising that the Office Action has not provided any reason to combine/modify because, as discussed in the text incorporated by reference, the declared purpose of Roberts is "restructuring one or more debt obligations issued in the form of interest-bearing bonds," whereas in the present invention a "component temporally decomposed from real estate" is not a debt obligation. Thus, the proposed combination would destroy the purpose of Roberts. Accordingly, the combination is invalid, and the contention at page 27, line 2, that, "it would have been obvious...," is incorrect. Because this completes the demonstration that all contentions concerning claim 36 are incorrect, it is clear that a case of *prima facie* obviousness has not been evidenced.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

## **S ction FAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 37 at page 27, line 8. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. In particular, the Examiner contends incorrectly that "Graff teaches each component becoming entirely owned by one entity (pages 54-58)." The text incorporated by reference shows that Graff does not teach "a component temporally decomposed from real estate." Graff does not teach such components, and it follows that Graff also does not teach anything about the ownership of such components. Thus, the contention is incorrect in stating at page 27, line 10: "Hence, it would have been obvious...."

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

## **Section GAA**

Building on the foregoing errors, the Examiner rejects claims 44-46 at page 27, line 16. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 28, line 20 are all incorrect. The Official Notice at page 28, line 4, requires a supporting reference from the analogous prior art before further commenting on page 27, line 16 - page 28, line 20, except to traverse the unsupported

Official Notice and all flowing from use of it.

As for the additional paragraph on claims 44-46 at page 28, line 21 - page 29, line 9, the Official Notice at page 29, line 2, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Furthermore, Applicant is unclear from the Office Action analysis about whether (or how) the contention in the Official Notice relates to the instant claim limitation, "tax-exempt security," and clarification is required. The definition of "tax-exempt security" is well known to one with ordinary skill in the area of fixed-income finance, and for clarification Applicant submits herewith the enclosed definition from what is widely recognized in the area of fixed-income finance: "The Handbook Of Fixed-Income," Frank J. Fabossi, 5<sup>th</sup> Ed. (1997) Page 161:

"The U.S. bond market can be divided into two major sectors: the taxable bond market and the tax-exempt bond market. The former sector includes bonds issued by the U.S. government, U.S. government agencies and sponsored enterprises, and corporations. The tax-exempt bond market is one in which the interest from bonds that are issued and sold is exempt from federal income taxation. Interest may or may not be taxable at the state and local level. The interest on U.S. Treasury securities is exempt from state and local taxes, but the distinction in classifying a bond as tax-exempt is the tax treatment at the federal income tax level."

Accordingly, the contentions in the paragraph of the Office Action are traversed, and the required reference and clarification are required before commenting further.

The text incorporated by reference shows that Roberts does not disclose a component temporally decomposed from property. It follows that the contention at page 29, line 5, that: "Hence, it would have been obvious to one of ordinary skill in the art of finance ...to apply Robert's invention to property from a group consisting of a tax-exempt security and a portfolio of tax-exempt securities..." is both incorrect and insufficient. The contention is incorrect because, among other things, the purpose of Robert's invention is "restructuring (by the borrower) of one or more debt obligations issued in the form of interest-bearing bonds (of the borrower)," whereas the claim requires one "from a group consisting of a tax-exempt

security and a portfolio of tax-exempt securities," which would destroy the purpose of Roberts. For example, among other things, consider the situation where the one "from a group consisting of a tax-exempt security and a portfolio of tax-exempt securities" does not consist entirely of debt, and in particular of debt issued by a single borrower. The contention is also insufficient for claims 44-46 because, among other things, claims 44-46 require "*a component temporally decomposed from property*," which Roberts does not teach.

Finally, "*a component temporally decomposed from property*, the property from a group consisting of a tax-exempt security and a portfolio of tax-exempt securities" does not have "*a stated rate of interest*." Accordingly, as the text incorporated by reference shows, the proposed application of Roberts to "*a component temporally decomposed from property*, the property from a group consisting of a tax-exempt security and a portfolio of tax-exempt securities" would destroy the purpose of the invention.

Thus, all contentions regarding claims 44-46 are respectfully traversed, and a *prima facie* case of obviousness has not been made out.

### **Section GAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 45 at page 29, line 10. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB and EAA. The text incorporated by reference shows that the contentions regarding claim 45 are all incorrect. The Official Notice at page 29, line 11 requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 45 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section GAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 46 at page 29, line 19. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections AAB, BAD, and FAC. The text incorporated by reference shows that the contentions regarding claim 46 are all incorrect. Accordingly, all contentions regarding claim 46 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section HAA**

The Examiner rejects claims 47-49 at page 30, line 5. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB and modify the text incorporated by reference by substituting "term interest" for both "estate for years interest" and "estate for years" alone when followed by

any word other than "interest." The modified text incorporated by reference shows that the contentions through page 31, line 8 are all incorrect. The Official Notice at page 30, line 15, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 30, line 5 - page 31, line 8, except for traversing all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 47-49 at page 31, line 9 - page 32, line 4, the Official Notice at page 31, line 14, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed.

The text incorporated by reference shows that Roberts does not disclose a component temporally decomposed from property. It follows that the contention at page 29, line 5, that: "Hence, it would have been obvious to one of ordinary skill in the art of finance ...to apply Robert's invention to property from a group consisting of a taxable fixed-income security, a portfolio of taxable fixed-income securities, a portfolio of taxable and tax-exempt fixed-income securities, an asset that is ratable as if it were a fixed-income security, and a portfolio of assets that is ratable as if it were a fixed-income security..." is both incorrect and insufficient. The contention is incorrect because, among other things, the purpose of Robert's invention is "restructuring (by the borrower) of one or more debt obligations issued in the form of interest-bearing bonds (of the borrower)," whereas the claims require one "from a group consisting of a taxable fixed-income security, a portfolio of taxable fixed-income securities, a portfolio of taxable and tax-exempt fixed-income securities, an asset that is ratable as if it were a fixed-income security, and a portfolio of assets that is ratable as if it were a fixed-income security," which would destroy the purpose of Roberts; for example, among other things, consider the situation where the one does not consist entirely of debt, and in particular of debt issued by a single borrower. The contention is also insufficient to claims 47-49 because, among other things, claims 47-49 require "*a component temporally decomposed from property*," which

Roberts does not teach.

Note that "a component temporally decomposed from property, the property from a group consisting of a taxable fixed-income security, a portfolio of taxable fixed-income securities, a portfolio of taxable and tax-exempt fixed-income securities, an asset that is ratable as if it were a fixed-income security, and a portfolio of assets that is ratable as if it were a fixed-income security" does not have "a stated rate of interest." Accordingly, as the text incorporated by reference shows, the proposed application of the Roberts invention to "a component temporally decomposed from property, the property from a group consisting of a taxable fixed-income security, a portfolio of taxable fixed-income securities, a portfolio of taxable and tax-exempt fixed-income securities, an asset that is ratable as if it were a fixed-income security, and a portfolio of assets that is ratable as if it were a fixed-income security" would destroy the purpose of the invention. Finally, the citation of Graff at page 31, line 19, in support of the proposed application of the Roberts invention, is in error because, as the text incorporated by reference shows, any proposed combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings.

Thus, all contentions regarding claims 44-46 are respectfully traversed, and prima facie obviousness has not been evidenced.

### **Section HAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 48 at page 32, line 5. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section EAA. The text incorporated by reference shows that the contentions regarding claim 48 are all incorrect. The Official Notice at page 32, line 6, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 48 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section HAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 49 at page 32, line 14. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section FAC. The text incorporated by reference shows that the contentions regarding claim 49 are all incorrect. Accordingly, all contentions regarding claim 49 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section IAA**

Building on the foregoing errors, the Examiner rejects claims 50-55 at page 33, line 2. In response, the rejection and underlying contentions are respectfully traversed.

Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 34, line 5 are all incorrect. The Official Notice at page 33, line 12, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 33, line 2 - page 34, line 5, other than a traversal of all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 50-55 at page 34, line 6 - page 34, line 12, the text incorporated by reference shows that the proposed combination of Roberts and Graff is improper because it is contradicted by, and would destroy the purposes of, both teachings. Accordingly, the Examiner is incorrect in contending at page 34, line 9, that: "Hence, it would have been obvious to one of ordinary skill in the art of finance to apply the method of Roberts to *property not including any securities....*"

Thus, all contentions regarding claims 50-55 are respectfully traversed, and prima facie obviousness has not been evidenced.

### **Section IAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 51 at page 34, line 13. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section EAA. The text incorporated by reference shows that the contentions regarding claim 51 are all incorrect. The Official Notice at page 34, line 14, requires a supporting reference from the analogous prior art, and all flowing from the unsupported Official Notice is respectfully traversed. Accordingly, all contentions regarding claim 51 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a

discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section IAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 52 at page 35, line 1. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section FAC. The text incorporated by reference shows that the contentions regarding claim 52 are all incorrect. Accordingly, all contentions regarding claim 52 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section IAD**

With regard to claim 53, the Office Action relies further on Merriam-Webster. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section FAA, and modify the text incorporated by reference by substituting "title" for "deed." The modified text incorporated by reference shows that the contention at page 35, line 8, is incorrect. In particular, Roberts does not teach "title," and the Examiner proposes a combination with a definition of "title" from the Merriam-Webster

Collegiate Dictionary. However, the only reason for this combination is hindsight. Roberts pertains to quite sophisticated finance, while the Merriam-Webster Collegiate Dictionary is "meant to serve the general public as its chief source of information about the words of our language" (Preface, 1st paragraph, Merriam-Webster Collegiate Dictionary, 10th ed.). This is not exactly the situation in interpreting Roberts, for example. As part of a PTO Examiner burden, the Examiner must provide a reason to use any reference, including a dictionary. See, e.g., In re Hershey, 6 U.S.P.Q. 2<sup>nd</sup> 1470 (TTAB 1998) in which an Examiner was reversed for failing to justify selection of a particular dictionary in a trademark matter. The Examiner is required to provide some reason or suggestion to combine Roberts with Merriam-Webster, which Applicant submits to be an oversimplified meaning—especially in the context of Roberts. The Examiner has not shown that "title" is inherent to ownership. Compare "market title" with "equitable title" with "title of record," for example. More so, the claim requires a second title, i.e., a title respectively for each recited component. As per other claims, the invention can be carried out without a second title. The PTO has shown no prior art teaching of the claimed second title.

In any case, the Office Action cites definition 2a of "title" from the Merriam-Webster Collegiate Dictionary, 10th ed., at page 35, line 8, of the Office Action. However, the Office Action presents no more justification for combining Roberts with definition 2a of the word, "title," from the Merriam-Webster Collegiate Dictionary, 10th ed., than for combining Roberts with any of the alternative definitions of "title" from the Merriam-Webster Collegiate Dictionary, 10th ed. The only inspiration the PTO has for combining Roberts with definition 2a rather than some other definition of "title" from Merriam-Webster or from some other dictionary is the instant claims, and this is an impermissible reason to combine.

In any case, all contentions are traversed, and nothing teaches or suggests the claimed combination involving a second title. Prima facie obviousness has not been evidenced.

## **S ction IAE**

Building on the foregoing errors, the Examiner states at page 35, line 10, that the rejections of claims 54 and 55 are based on parallel contentions to the rejections of claims 51 and 52, respectively. In response, the rejections and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections IAA, IAB, and IAC. The text incorporated by reference shows that all contentions regarding claims 51 and 52 are incorrect. Accordingly, the parallel contentions concerning claims 55 and 55 are respectfully traversed as well, noting further the variations in the claims as a whole.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

## **Section JAA**

Building on the foregoing errors, the Examiner rejects claims 90 and 95 at page 35, line 13. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 36, line 19 are all incorrect. The Official Notice at page 36, line 3, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 35, line 13 - page 36, line 19, other than a traversal of all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 90 and 95 at page 36, line 20 - page

37, line 15, incorporate by reference Section BAB. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraph that discusses a proposed combination of Roberts and Pease, this is proposing a combination of a teaching of finance with a teaching of "A Secure Automated Electronic Casino Gaming System" (i.e., the title of Pease). The proposed combination involves nonanalogous art, which is impermissible. 35 U.S.C. Sec. 103. The PTO has the burden of showing that one having ordinary skill in the art of finance would know the art of "secure automated electronic casino gaming" systems. The Office Action also provides no reason for combining Roberts and Pease. This is not surprising and shows that the inspiration for this implausible proposed combination with nonanalogous art is the Applicant's instant claim, which is an impermissible reason to combine.

Because this shows that the contentions regarding claims 90 and 95 are all incorrect, all contentions regarding claims 90 and 95 are respectfully traversed, and *prima facie* obviousness has not been shown.

### **Section JAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 95 at page 38, line 3. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section CAD. The text incorporated by reference shows that the contentions regarding claim 95 are all incorrect. Accordingly, all contentions regarding claim 95 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a

discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section KAA**

Building on the foregoing errors, the Examiner rejects claims 91 and 96 at page 38, line 10. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 39, line 16 are all incorrect. The Official Notice at page 38, line 22, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 38, line 10 - page 39, line 16, other than a traversal of all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 91 and 96 at page 39, line 17 - page 40, line 12, incorporate by reference Section BAB. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraph that discusses the Luchs patent and a proposed combination of Roberts and Luchs, the proposed combination of Roberts with Luchs is a combination of a teaching of corporate and municipal finance with a teaching of personal casualty/liability insurance. As general evidence of the subject of the Luchs invention, note the assignee of the Luchs patent: The Chubb Corporation, which is one of the oldest and largest property/casualty insurance companies in the United States. As specific evidence of the subject of the Luchs invention, note the two sample customer data forms in columns 8 and 9 of Luchs: the column headings in the first (i.e., housing) form are "DWELLING, HOMEOWNER, RENTER, CONDO/COOP, and PAF (i.e., *personal* articles floater)," and the column headings

in the second (i.e., transportation) form are "AUTO, WATER CRAFT, MISC. VEH. (i.e., miscellaneous vehicle), PEXS (i.e., *personal* excess liability coverage), and W/COMP.". The proposed combination involves nonanalogous art, which is impermissible. 35 U.S.C. §103. The PTO has the burden of showing that one having ordinary skill in the relevant art would know the subject matter of Luchs. The Office Action provides no reason from the analogous prior art for combining Roberts and Luchs. This is not surprising and shows that the only reason for the proposed combination of this particular nonanalogous art is the Applicant's instant claim, which is an impermissible reason to combine. In any case, the proposed combination of Roberts and Luchs does not support the claim rejections: neither reference discloses a "component(s) temporally decomposed from property," nor does any other cited reference, which means that no possible combination of the cited references discloses it.

As for the contention that "Luchs teaches insuring property (column 4, lines 11-15)...," Luchs teaches property/casualty insurance for personal property of individuals, not insuring a component temporally decomposed from property, and teaching one species of a genus (e.g., insuring one species of the genus: "property") does not teach the genus or any other species of the genus (e.g., insuring "a component temporally decomposed from property"). MPEP Sec. 2144.08.

Therefore, the contentions regarding claims 91 and 96 are all incorrect, and all contentions regarding claims 91 and 96 are respectfully traversed. Prima facie obviousness has not been evidenced.

### **Section KAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 96 at page 41, line 3. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Sections BAD and CAD. The text incorporated by reference shows that the contentions regarding claim

96 are all incorrect. Accordingly, all contentions regarding claim 96 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section LAA**

Building on the foregoing errors, the Examiner rejects claims 92, 93, 97 and 98 at page 41, line 10. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 42, line 17 are all incorrect. The Official Notice at page 42, line 1, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 41, line 10 - page 42, line 17, except to traverse all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 92, 93, 97 and 98 at page 42, line 18 - page 43, line 13, incorporate by reference Section BAB. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraph that references the Peet article, Applicant respectfully traverses the contention that, "...Peet discloses that providing wrap insurance is well known," (see paragraph in Peet beginning "The credit enhancement cost", and also the preceding paragraph). The cited "preceding paragraph" begins as follows: "A good example of

an SMBS is the 1989-1 issue by the Money Store...," and the Office Action-cited quote concerning the credit enhancement cost is a specific reference to the 1989-1 SMBS issue by the Money Store.

The first full sentence of text in Peet explains both the subject of Peet and the meaning of SMBS: "second mortgage-backed securities," i.e., securitized interests in pools of second mortgages. Further, Peet is devoted solely to teachings about mortgage-backed securities, and in particular to securities backed by pools of second mortgages, of which the 1989-1 issue by the Money Store is a highlighted example. In particular, the only teaching of credit enhancement in Peet concerns credit enhancement of second mortgage-backed securities. However, as per the claims and Specification, "a component temporally decomposed from property" is not debt, and teaching one species of a genus (e.g., credit enhancement for one species of the genus: "property") does not teach any other species of the genus (e.g., credit enhancement for "a component temporally decomposed from property").

As for the additional paragraph that discusses the Luchs patent and a proposed combination of Roberts and Luchs, the proposed combination of Roberts with Luchs is a combination of a teaching of corporate and municipal finance with a teaching of personal casualty/liability insurance. As general evidence of the subject of the Luchs invention, note the assignee of the Luchs patent: The Chubb Corporation, which is one of the oldest and largest property/casualty insurance companies in the United States. As specific evidence of the subject of the Luchs invention, note further the two sample customer data forms in columns 8 and 9 of Luchs: the column headings in the first (i.e., housing) form are "DWELLING, HOMEOWNER, RENTER, CONDO/COOP, and PAF (i.e., *personal* articles floater)," and the column headings in the second (i.e., transportation) form are "AUTO, WATER CRAFT, MISC. VEH. (i.e., miscellaneous vehicle), PEXS (i.e., *personal* excess liability coverage), and W/COMP.". The proposed combination involves nonanalogous art, which is impermissible. 35

U.S.C. §103. The PTO has the burden to show that one having ordinary skill in the relevant art would know of the subject matter of Luchs. The Office Action provides no reason from the analogous prior art for combining Roberts and Luchs. The only reason for the proposed combination of this particular nonanalogous art is the Applicant's instant claim, which is an impermissible reason to combine. In any case, the proposed combination of Roberts and Luchs does not support the claim rejections: neither reference discloses a "component(s) temporally decomposed from property," nor does any other cited reference, which means that no possible combination of the cited references discloses it.

With regard to the contention that "Luchs teaches insurance documentation...," Luchs teaches property/casualty insurance documentation for personal property of individuals, not insurance documentation for a component temporally decomposed from property, and teaching one species of a genus (e.g., insurance documentation for one species of the genus: "property") does not teach the genus or any other species of the genus (e.g., insurance documentation for "a component temporally decomposed from property"). MPEP Sec. 2144.08.

Therefore, the contentions regarding claims 92, 93, 97 and 98 are all incorrect, and all contentions regarding claims 91 and 96 are respectfully traversed. *Prima facie* obviousness has not been evidenced.

### **Section LAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 93 at page 44, line 7. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section LAA. The text incorporated by reference shows that the contentions are incorrect in the implied contention that, "Peet teaches that the wrap insurance..." is applicable to a "component temporally decomposed from property." Because the other contentions regarding claim 93 depend upon the implied contention, the contentions regarding claim 93 are all incorrect.

Accordingly, all contentions regarding claim 93 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section LAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 97 and 98 at page 44, line 16. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section CAD. The text incorporated by reference shows that the contentions regarding claims 97 and 98 are all incorrect. Accordingly, all contentions regarding claims 97 and 98 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section MAA**

Building on the foregoing errors, the Examiner rejects claims 94 and 99 at page 45, line 2. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 46, line 9 are all incorrect. The Official Notice at page 45, line 13, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 45, line 2 - page 46, line 9, except to traverse all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 94 and 99 at page 46, line 10 - page 47, line 5, incorporate by reference Section BAB. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraph that references the Peet article, incorporate by reference Section LAA. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraph that references the Pease article, incorporate by reference Section JAA. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

Because the contentions regarding claims 94 and 99 are all incorrect, all contentions regarding claims 94 and 99 are respectfully traversed. *Prima facie* obviousness has not been evidenced.

### **Section MAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 99 at page 48, line 1. In response, the rejection and underlying contentions

are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section CAD. The text incorporated by reference shows that the contentions regarding claim 99 are all incorrect. Accordingly, all contentions regarding claim 99 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAA**

Building on the foregoing errors, the Examiner rejects claims 100-105, 109-117 and 120-123 at page 48, line 8. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions through page 49, line 15 are all incorrect. The Official Notice at page 48, line 20, requires a supporting reference from the analogous prior art, and such a reference is required before commenting further on page 48, line 8 - page 49, line 15, except to traverse all flowing from the unsupported Official Notice.

As for the additional paragraph on claims 100-105, 109-117 and 120-123 at page 48, line 8, Applicant respectfully traverses the contention that Graff teaches applying financial analysis to real estate related assets. While Applicant is flattered that the Examiner believes that Graff teaches this topic in 9 pages, given the wide range of types of property and correspondingly suitable analyses and their permutations, Applicant acknowledges that the extent of the Examiner's belief is unrealistic, and hence incorrect.

Also respectfully traversed is the implied (but not explicitly stated) contention in the paragraph that teaching a species (exactly which species is unspecified by the Office Action) of financial analysis application to one species of "property not including any securities (i.e., real estate)," discloses teaching the one species (and unspecified other species) of financial analysis application to the genus "property not including any securities." MPEP Sec. 2144.08. The Examiner acknowledges this point by allowing claims 106-107, which are identical to the rejected claims 104-105 respectively, except for the limitation to different species of the genus "property not including any securities": claims 106-107 are limited to the species "tangible personal property," whereas claims 104-105 are limited to the species "real estate." In any case, this is a moot argument from the perspective of the Office Action's claims analysis, because the analysis in the paragraph requires the combination of Roberts and Graff, and the text incorporated by reference shows that the proposed combination is impermissible because it is contradicted by, and would destroy the purposes of, of both Roberts and Graff.

As for the additional paragraph on claims 94 and 99 at 100-105, 109-117 and 120-123 at page 50, line 1 - page 50, line 17, incorporate by reference Section BAB. The text incorporated by reference shows that the contentions in this paragraph are all incorrect. Accordingly, every contention in this paragraph is respectfully traversed.

As for the additional paragraphs that reference the Peet article and the Luchs patent, incorporate by reference Section LAA. The text incorporated by reference shows that the contentions in these paragraphs are all incorrect. Accordingly, every contention in these paragraphs is respectfully traversed.

Because the contentions regarding claims 100-105, 109-117 and 120-123 are all incorrect, all contentions regarding claims 100-105, 109-117 and 120-123 are respectfully traversed. Prima facie obviousness has not been evidenced.

#### **Section NAB**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claim 101 at page 51, line 11. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section LAA. The text incorporated by reference shows that the contentions regarding claim 101 are all incorrect. Accordingly, all contentions regarding claim 101 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAC**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 102 and 103 at page 51, line 20. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The Office Action contends incorrectly that, "Roberts discloses carrying out computations for bonds (Abstract; column 3, line 40, through column 4, line 11)." However, "computations for bonds" is a genus, and the cited text in Roberts teaches several specific species of the genus, "computations for bonds," but not the genus.

Also, the Office Action's cited limitation, "bonds, not consisting of real estate," is a nonexistent limitation of "bonds," because bonds are intangible property, real estate is tangible property, and it is a tautology to state that intangible property does not consist of tangible property. The Office Action's unrestrictive limitation is also not the correct limitation in

claims 102 and 103, which is, by contrast, "property not consisting of real estate," the latter being an economically meaningful limitation of "property."

The text incorporated by reference shows that Roberts teaches neither "property" nor "real estate," and the error of the Office Action's unrestrictive bond limitation illustrates the futility of any attempt to reject claims by reducing contentions about property teachings to contentions about bond teachings.

Finally, the Office Action does not draw any conclusions regarding claims 102 and 103 from the incorrect contention. Hence, there is no apparent basis for the rejection.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAD**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 104 and 105 at page 52, line 1. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The Office Action contends incorrectly that, "Roberts discloses carrying out computations for bonds (Abstract; column 3, line 40, through column 4, line 11)." However, "computations for bonds" is a genus, and the cited text in Roberts teaches several specific species of the genus, "computations for bonds," but not the genus.

The cited limitation, "bonds, not including any real estate," is a nonexistent

limitation of "bonds," because bonds are intangible property, real estate is tangible property, and something intangible cannot include something tangible as a subset. The Office Action's unrestrictive limitation is also not the limitation in claims 104 and 105, which is, by contrast, "property not including any real estate," the latter being an economically meaningful limitation of "property."

The text incorporated by reference shows that Roberts teaches neither "property" nor "real estate," and the error of the Office Action's unrestrictive bond limitation illustrates the futility of any attempt to reject claims by reducing contentions about property teachings to contentions about bond teachings.

Finally, the Office Action does not draw any conclusions regarding claims 104 and 105 from the incorrect contention. Hence, there is no apparent basis for restricting these claims.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAE**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 108 and 109 at page 52, line 4. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions

regarding claims 108 and 109 are all incorrect. In particular, the text incorporated by reference shows that neither Roberts nor Graff teaches "one of at least two components temporally decomposed from property." Because neither Roberts nor Graff teaches the claim limitation, "one of at least two components temporally decomposed from property," no combination of Roberts and Graff can teach the claim limitation. Furthermore, the Office Action's analysis requires a combination of Roberts and Graff, and the text incorporated by reference shows that the proposed combination is impermissible because it would be contradicted by, and would destroy the purposes of, both Roberts and Graff.

Thus the contentions regarding claims 108 and 109 are all incorrect. Accordingly, all contentions regarding claims 108 and 109 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAF**

Building on the foregoing, the Examiner has made additional contentions in rejecting claims 110 and 111 at page 52, line 10. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that the contentions regarding claims 110 and 111 are all incorrect. In particular, the text incorporated by reference shows that neither Roberts nor Graff teaches the genus "property," only respective species of

the genus (more precisely, "bonds" and "real estate," respectively), and also that neither Roberts nor Graff teaches "one of at least two components temporally decomposed from property." Because neither Roberts nor Graff teaches the claim limitations, "property" and "one of at least two components temporally decomposed from property," no combination of Roberts and Graff can teach the claim limitations. Furthermore, the Office Action's analysis requires a combination of Roberts and Graff, and the text incorporated by reference shows that the proposed combination is impermissible because it would be contradicted by, and would destroy the purposes of, both Roberts and Graff.

Thus the contentions regarding claims 110 and 111 are all incorrect.

Accordingly, all contentions regarding claims 110 and 111 are respectfully traversed.

The proposed reason to combine/modify the cited art is improper as it has not been shown to have been within prior art awareness, and the proposed reason does not provide any suggestion with regard to the cited art.

The rejection fails to consider the invention as a whole, and tacking on a discussion of a limitation does not consider cooperation of the claimed invention as a whole. Further, the Examiner has not shown that the cited art is sufficient to teach how to actually do the claimed valuation such that it could have been obvious at the time the invention was made. For all the foregoing reasons, *prima facie* obviousness has not been evidenced.

### **Section NAG**

Building on the foregoing errors, the Examiner has made additional contentions in rejecting claims 112-117 and 120-123 at page 52, line 16. In response, the rejection and underlying contentions are respectfully traversed. Incorporate by reference the foregoing Sections, especially Section CAD. The text incorporated by reference shows that the contentions regarding claims 112-117 and 120-123 are all incorrect. Accordingly, all contentions regarding claims 112-117 and 120-123 are respectfully traversed.

## **S ction OAA**

The Examiner has allowed claims 38-43, and states that claims 73-89, 106-107 and 118-119 would be allowable if rewritten to remove their dependence on an objected base claim. Applicant appreciates the recognition of allowability, but traverses many contentions made in the reasons for allowability, as more particularly set forth below.

## **Section OAB**

With regard to claims 73-89, building on the foregoing errors, the Examiner contends that, "The nearest prior art of record, Roberts, discloses many of the limitations of claim 1, while others are held to be obvious." This contention is respectfully traversed. Incorporate by reference the foregoing Sections, and especially Section AAB. The meaning and purpose of the contention are ambiguous: the unclarities are (1) whether the contention declares all limitations of claim 1 to be either obvious or disclosed by Roberts, and (2) whether prior art teaches the method of combining the claim limitations required by claim 1. Further, if the contention is intended to be a declaration that Roberts teaches or suggests claim 1, then the Examiner is incorrectly re-characterizing the claim rejection. More precisely, the rejection of claim 1 requires the combination of teachings from two items of the cited art: Roberts and Graff. With regard to claim 1, the text incorporated by reference shows that neither Roberts nor Graff discloses "a component temporally decomposed from property," a limitation of claim 1, and thus that no possible combination of Roberts and Graff can disclose the limitation. Further, the text incorporated by reference (Section AAB) shows that the proposed combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings, and thus that the proposed combination is impermissible. Thus, both the contention and the rejection of claim 1 are incorrect. Accordingly, the contention as it is reflected in the reasons for allowance is respectfully traversed.

The Examiner also contends that, "The further limitations of claims 2-15 and 18-

19 are also held to be obvious over Roberts, Graff, and Official Notice, and other cited art in the cases of claims 2-3, 8-12, and 17-19, as set forth above in the rejections of these claims." The contention is respectfully traversed. With regard to the rejections of claims 2-3, 8-12, and 17-19, the rejections all require the combination of teachings from Roberts and Graff. The text incorporated by reference (Section AAB) shows that the proposed combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings and observes that the addition of other cited art cannot remove the contradiction between the Roberts and Graff teachings. Thus, the proposed combination of Roberts and Graff is impermissible, and the rejections of claims 2-3, 8-12, and 17-19, are incorrect. The text incorporated by reference shows that the rejections of claims 2-3, 8-12, and 17-19, are incorrect for additional reasons not discussed in this paragraph. Accordingly, the reasons for allowance are respectfully traversed.

Finally, the Examiner contends that, "Tangible personal property can be leased, and it would be possible to temporally decompose leased tangible personal property (i.e., a species of the genus "leased property", added by Applicant) into a plurality of components (lease payments), by analogy to what Graff teaches doing for real estate (i.e., a second species of the genus "leased property", added by Applicant); however, the mere potential of doing this does not make it obvious to do so." The Examiner's statement seems to apply equally well to leased property in general (i.e., the genus), and in particular, to real estate (i.e., the second species of the genus "property"), e.g., *It would have been possible at the time of the Applicant's invention to temporally decompose a species of leased property (e.g., real estate) into a plurality of components, by analogy to what Graff teaches doing for real estate; however, the mere potential of doing this does not make it obvious to do so.* Accordingly, the above-quoted statement is respectfully traversed with regard to the suggestion of an incorrect limitation of the genus, "leased property."

**S cti n OAC**

As to claims 38-43, building on the foregoing errors, the Examiner contends that, "The nearest prior art of record, Roberts et al. (U.S. Patent 4, 739,478), discloses a processor programmed to change input representing property to produce output representing a market-based valuation, including taxation, of one of at least two components temporally decomposed from property. Other features of claim 38 are held to be obvious in view of Graff, and of general knowledge of computer systems." Incorporate by reference the foregoing Sections, especially Section AAB. The text incorporated by reference shows that neither Roberts nor Graff discloses "a component temporally decomposed from property," and thus that no possible combination of Roberts and Graff can disclose the limitation. Thus, the contention is incorrect, and the contention is respectfully traversed.

Also, the Office Action's cited "general knowledge of computer systems" and Roberts have not been shown to be analogous art, and likewise the cited "general knowledge of computer systems" and Graff have not been shown to be analogous art. The text incorporated by reference shows that any combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings and that the citation of additional art cannot remove the contradiction between the Roberts and Graff teachings, and thus that the proposed combination of art is impermissible.

Finally, the Examiner contends that, "Tangible personal property can be leased, and it would be possible to temporally decompose leased tangible personal property (i.e., a species of the genus "leased property", added by Applicant) into a plurality of components (lease payments), by analogy to what Graff teaches doing for real estate (i.e., a second species of the genus "leased property", added by Applicant); however, the mere potential of doing this does not make it obvious to do so." The Examiner's statement seems to apply equally well to leased property in general (i.e., the genus), and in particular, to real estate (i.e., the second species of the genus "property"), e.g., *It would have been possible at the time of the Applicant's*

*invention to temporally decompose a species of leased property (e.g., real estate) into a plurality of components, by analogy to what Graff teaches doing for real estate; however, the mere potential of doing this does not make it obvious to do so.* Accordingly, the quoted reason for allowance is respectfully traversed with regard to the suggestion of an incorrect limitation of the genus, "leased property."

### **Section OAD**

With regard to claims 106-107 and 118-119, building on the foregoing errors, the Examiner contends that, "The closest prior art of record, Roberts, discloses some limitations of claim 100, while others are held to be obvious in view of Graff, Peet, Kurlowicz et al., the anonymous article "Report of the House-Senate Conference Agreement on the Tax Reform Bill," Luchs et al., and official notice, as set forth above in the rejections of claims 100 and 101." In response, the contentions are respectfully traversed. Incorporate by reference the foregoing, and especially Sections AAB, BAB, LAA, and NAA. The text incorporated by reference shows that none of the cited art discloses "a component temporally decomposed from property not including any securities," a limitation of claims 100 and 101, and thus that no possible combination of the cited art can disclose the limitation. The text incorporated by reference shows that any combination of Roberts and Graff is contradicted by, and would destroy the purposes of, both teachings. The citation of additional art cannot remove the contradiction between the Roberts and Graff teachings, and thus the proposed combination of art is impermissible. Thus, both the contention and the rejections of claims 100 and 101 are incorrect.

Also, the text incorporated by reference shows that there is no proper reason to combine Peet in connection with the claim limitation "a component temporally decomposed from property" beyond the impermissible hindsight reconstruction of the wording of the instant claims; that Kurlowicz has not been shown to be analogous art; that the anonymous article,

"Report of the House-Senate Conference Agreement on the Tax Reform Bill," has not been shown to be analogous art; and that Luchs has not been shown to be analogous art. Further, the text incorporated by reference shows that any combination of Roberts with either Kurlowicz or the "Report of the House-Senate Conference Agreement on the Tax Reform Bill" is contradicted by, and would destroy the purposes of, both teachings, and that the citation of additional art cannot remove the contradiction between the respective teachings. Thus, there are at least seven independent reasons why the proposed combination of art is impermissible, as discussed above. For each of these reasons, the contention and the rejections of claims 100 and 101 are incorrect. Accordingly, the contention in the reasons for allowance is respectfully traversed.

Finally, the Examiner contends that, "Tangible personal property can be leased, and it would be possible to temporally decompose leased tangible personal property (i.e., a species of the genus "leased property", added by Applicant) into a plurality of components (lease payments), by analogy to what Graff teaches doing for real estate (i.e., a second species of the genus "leased property", added by Applicant); however, the mere potential of doing this does not make it obvious to do so." The Examiner's statement seems to apply equally well to leased property in general (i.e., the genus), and in particular, to real estate (i.e., the second species of the genus "property"), e.g., *It would have been possible at the time of the Applicant's invention to temporally decompose a species of leased property (e.g., real estate) into a plurality of components, by analogy to what Graff teaches doing for real estate; however, the mere potential of doing this does not make it obvious to do so.* Accordingly, the contention in the reasons for allowance is therefore respectfully traversed with regard to the suggestion of an incorrect limitation on the genus, "leased property."

### **Section PAA**

The Office Action comments on art made of record and not relied upon in the

Office Action. In response, incorporate the foregoing Sections and note the following:

The Examiner is respectfully traversed in the contention that "Lupien et al. discloses an automated system for providing liquidity to securities markets." The Office Action is merely quoting the title of Lupien. But Lupien's system discussed in the specification does not *provide liquidity* to securities markets; the actual disclosure of Lupien is more narrow. More precisely, the Lupien invention "provides *added liquidity* to the securities markets..." (Lupien, Abstract). The specification further discloses that the Lupien invention "is designed to *increase liquidity* in the *secondary markets* for (registered, added by Applicant) securities and to generate incremental returns for security portfolios," Lupien, column 2, lines 62-64. In other words, the Lupien invention can only enhance liquidity for securities in the case of financial markets that are already public and liquid. Accordingly, the contention is respectfully traversed.

Applicant does not concede that Daugherty III is prior art. Applicant does not concede that Ginsberg is prior art. Applicant does not concede that Nakamura is prior art, and further responds that Nakamura is nonanalogous art. Applicant does not concede that Austin is prior art. Applicant does not concede that Joao is prior art.

Applicant does not concede that Barry is prior art, and further responds that a copy of Barry did not accompany the Office Action. Accordingly, Applicant requests a copy of Barry, and any contention based thereon is traversed as unsupported.

The contention that Kesler is in any way relevant is respectfully traversed. The Kesler disclosure is a computer program to prepare income tax returns for individual taxpayers, and the disclosure explicitly disclaims any teaching of tax preparation. More precisely, Kesler states, "Its (i.e., the computer program, added by Applicant) speed should be adequate for use in the home, but not for professional use," and "...this software...is not a tutorial on income tax preparation." Accordingly, Kesler has not been shown to have any relevance to the claimed invention.

The Examiner is respectfully traversed in the contention that Boyle ("Chrysler Financial ...") discloses insurance wrapping. Rather, Boyle only discloses "wrap(ping, added by Applicant) pools of small municipal equipment leases in insurance." Accordingly, the contention exceeds the bounds of the evidence.

The Examiner is respectfully traversed in the contention that the anonymous article, "Perpetual Savings Offers Securitized Seconds," discloses insurance wrapping. Rather, the article only discloses a "transaction (that, added by Applicant) is wrapped by a 100% guarantee...." Accordingly, the contention is respectfully traversed.

Applicant does not concede that the anonymous article, "Use of Super Seniors Grows; Structure Receives Mixed Reviews," is prior art. Applicant does not concede that the Boyle article, "FSA Withdraws from Real Estate Market, Eliminates Division; Two Employees Go", is prior art.

Applicant does not concede that the Rothschild article is prior art. Also, the subject of the Rothschild disclosure is "foreign asset-protection trusts," which are not taught in ordinary M.B.A. programs in finance. Thus, one of ordinary skill in the art of finance has not been shown to be familiar with the structure or applications of "foreign asset-protection trusts." Accordingly, the PTO has not shown that Rothschild is within the range of knowledge of one having ordinary skill in the art of finance. Further, Rothschild teaches "grantor trust" as an offshore trust in a foreign jurisdiction, and only mentions a U.S. connection with the concept incidentally in a citation of the Internal Revenue Code.

### **Summary of the Foregoing**

All objections and rejections have been addressed or traversed as above. With regard to the "obviousness" rejections, the PTO has not met the statutory burden for withholding a patent. Accordingly, favorable action is respectfully requested. The Examiner is invited to call the undersigned if it can in any way expedite the handling of this case.

### **III. CONCLUSION**

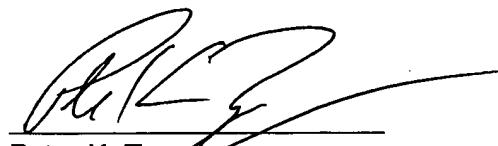
#### **APPLICANT CLAIMS SMALL ENTITY STATUS.**

Generally, it is believed that the amendment adds no new matter, and the amendment corrects typographical errors and similar mistakes that were recently discovered. Otherwise, no prosecution issue is raised by the amendment. The Examiner is requested to reconsider the application and proceed with issuance in view of the foregoing amendment.

The Commissioner is hereby authorized to charge any fees associated with the above-identified patent application or credit any overcharges to Deposit Account No. 50-0235.

Please direct all correspondence to the undersigned at the address given below.

Respectfully submitted,



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Date: August 11, 2003

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